

Hospital Profile:

MERCY MEDICAL CENTER

Community, Disproportionate Share Hospital
Pioneer Valley / Franklin Region

Mercy Medical Center is a non-profit, acute care community hospital. It is the ninth largest hospital in Massachusetts, with 420 staffed beds. Mercy Medical Center is located in the Pioneer Valley/Franklin region and represents 24% of all acute hospital staffed beds in the region. Mercy Medical Center qualifies as a Disproportionate Share Hospital (DSH), as more than 63% of its gross patient service revenue is derived from government programs.

PATIENTS Nearly half of all inpatient cases treated at Mercy Medical Center are from Springfield and Chicopee.

INPATIENT SERVICES Compared with the other community-DSH hospitals, Mercy Medical Center treats a greater proportion of mid to high-severity cases. In FY12, it accounted for 20% of all inpatient discharges from acute hospitals within the Pioneer Valley/Franklin region. Mercy Medical Center is a significant provider of behavioral health services in the region. Of note, based on its most common FY12 cases (DRGs), Mercy Medical Center treated 100% of all Alcohol & Drug Dependence with Rehabilitation or Rehabilitation/Detoxification Therapy cases and 95% of all Drug & Alcohol Abuse or Dependence (left against medical advice) cases in the Pioneer Valley/Franklin region.

FINANCIAL PERFORMANCE Mercy Medical Center's total revenue in FY12 was \$244 million. Its FY12 public payer mix was 75%, the highest of all community-DSH hospitals. Mercy Medical Center's FY12 inpatient cost* per case mix adjusted discharge was \$8,929, approximately 5% lower than the average community-DSH hospital. Mercy Medical Center's CY12 average commercial payer price level was at the 29th percentile, lower than the average community-DSH hospital. It earned a surplus of \$25.2 million (10.4% total margin) in FY12, its highest in the FY08 to FY12 period, and it earned a surplus each year in that period except for FY08.

AT A GLANCE

TOTAL STAFFED BEDS: 420, 9th largest acute hospital

% OCCUPANCY: 58%, < cohort avg. (61%)

TOTAL REVENUE in FY12: \$244 million

PUBLIC PAYER MIX: 75% (DSH* Hospital)

SPECIAL PUBLIC FUNDING: CHART^A, DSTI^A

TAX STATUS: Non-profit

TRAUMA CENTER DESIGNATION: Not Applicable

CY12 COMMERCIAL PAYER PRICE LEVEL: 29th Percentile

CASE MIX INDEX in FY12: 0.89, = cohort avg. (0.89); < statewide (1.06)

INPATIENT:OUTPATIENT REVENUE in FY12: 56%:44%

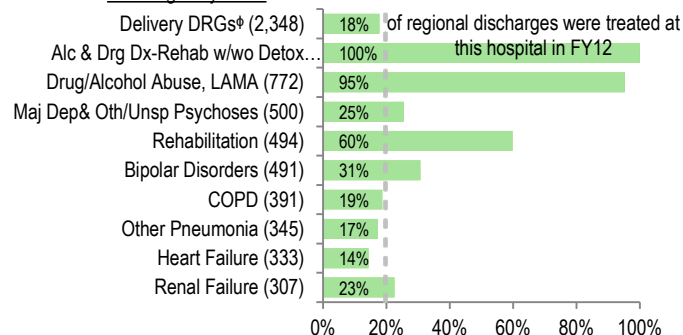
TOTAL MARGIN in FY12: 10.4% (\$25.2 million)

CHANGE in OWNERSHIP (FY08-FY12): Not Applicable

SERVICES

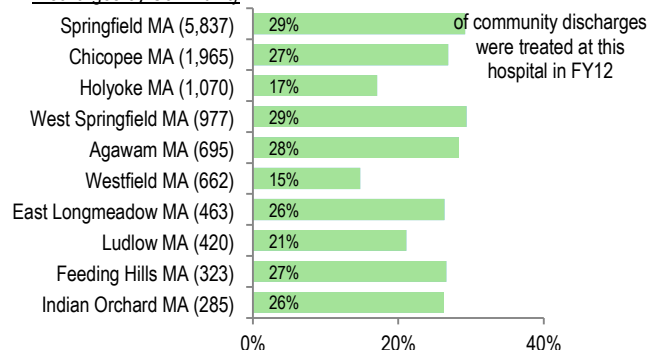
What were the most common inpatient cases (DRGs) treated at the hospital?
What proportion of the region's cases did this hospital treat for each service?

Discharges by DRG



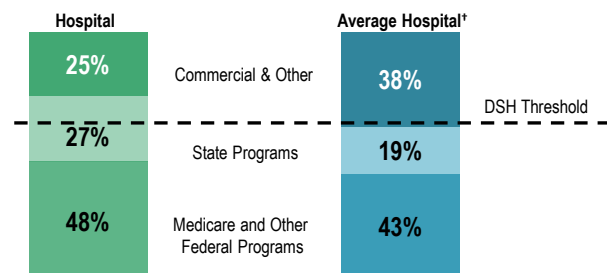
Where did most of the hospital's inpatients reside? What proportion of each community's total discharges were attributed to this hospital?

Discharges by Community



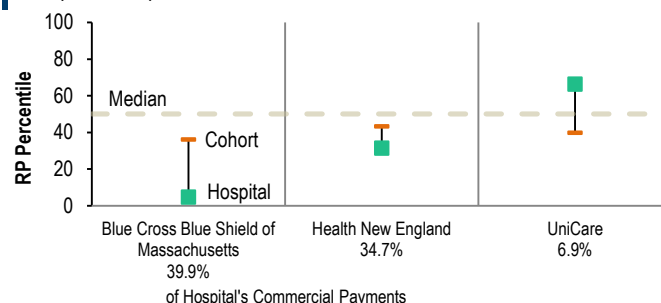
PAYER MIX

What was the hospital's overall payer mix (gross charges) in FY12, and how does this hospital compare to the average acute hospital's payer mix?



Percentage calculations may not sum to 100% due to rounding

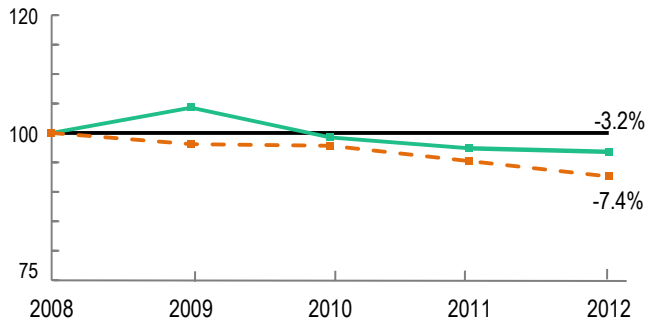
What were the hospital's CY12 payer-specific relative price levels for its top three commercial payers? How does this hospital compare to the average hospital in its peer cohort?



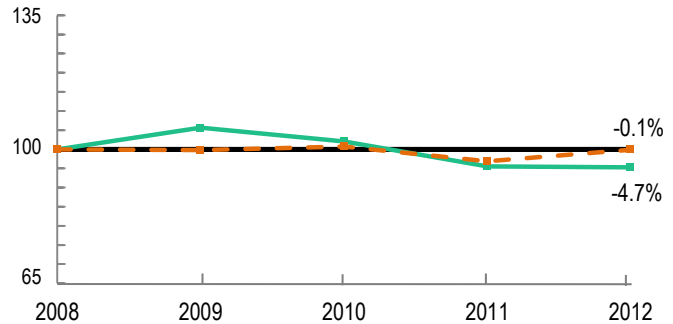
For descriptions of the metrics, please see Technical Appendix.

UTILIZATION TRENDS

How has the volume of the hospital's inpatient discharges changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

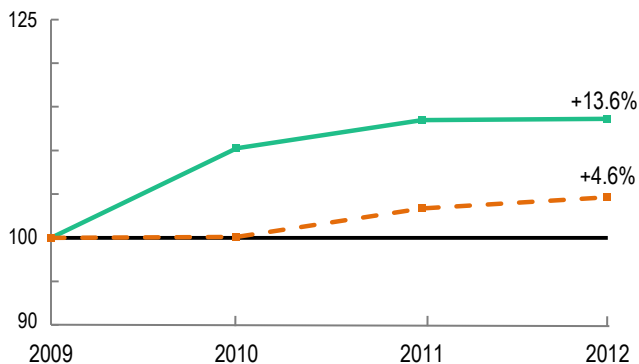


How has the volume of the hospital's outpatient visits changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

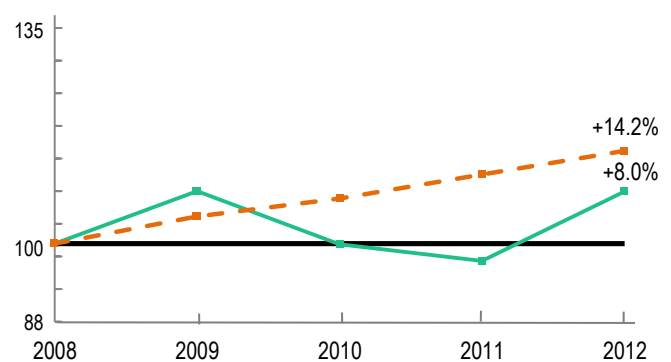


COST TRENDS

How has the hospital's inpatient cost[†] per case mix adjusted discharge changed compared to FY09, and how does this hospital compare to the average hospital in its peer cohort? (FY09=100)



How have the hospital's total outpatient costs changed compared to FY08, and how does this hospital compare to the average hospital in its peer cohort? (FY08=100)

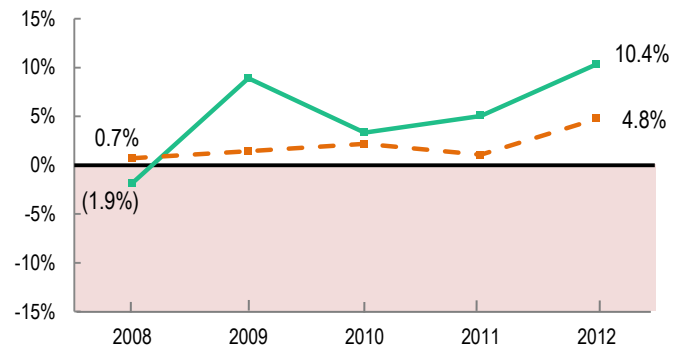


FINANCIAL PERFORMANCE

How have the hospital's total revenue and costs changed between FY08 and FY12?

Revenue, Cost & Profit/Loss (in millions)					
FY	Total Revenue	% Change	Total Cost	% Change	Total Profit/Loss
2008	\$201		\$205		(\$3.7)
2009	\$232	15.5%	\$211	3.3%	\$20.7
2010	\$216	(6.9%)	\$209	(1.2%)	\$7.2
2011	\$218	1.1%	\$207	(0.7%)	\$11.0
2012	\$244	11.7%	\$219	5.4%	\$25.2

What was the hospital's total margin between FY08 and FY12, and how does this compare to the median of its peer cohort hospitals?



For descriptions of the metrics, please see Technical Appendix.

For more information, please contact:

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CHIA.

[†] Costs were adjusted to exclude direct medical education costs and physician compensation.

* Disproportionate Share Hospitals (DSH) receive a minimum of 63% of gross patient service revenue from public payers.

[†] For more information on Community Hospital Acceleration, Revitalization and Transformation (CHART) special funding, please contact the Health Policy Commission (HPC).

[†] For more information on Delivery System Transformation Initiative (DSTI) special funding, please contact the Massachusetts Executive Office of Health and Human Service (EOHHS).

[†] Delivery DRG includes Cesarean and Vaginal Deliveries, and Neonate DRG.

[†] Average Hospital does not include Specialty hospitals.